



Bill Owens
Governor

Colorado Department of Local Affairs

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Acting Executive Director

DIVISION OF PROPERTY TAXATION

JoAnn Groff
Property Tax Administrator

BULLETIN NO. 19

TO: County Assessors

FROM: JoAnn Groff
Property Tax Administrator

DATE: May 25, 2006

THE BULLETIN IS AVAILABLE ON OUR WEBSITE.
www.dola.state.co.us/propertytax/index.htm

<u>Date</u>	<u>Title</u>	<u>Distribution</u>
5/24/06	Review of Senior Exemption Program	Senior Exemption Staff





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TO: County Assessors

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SUBJECT: Review of Senior Exemption Program

DATE: May 24, 2006

DISTRIBUTION Senior Exemption Staff

MEMORANDUM

With the return of funding for the senior exemption, we thought it might be helpful to review the procedures and deadlines that pertain to this program. The procedures summarized below are discussed in ARL Volume 2, pages 3.42 - 3.52.

Before reviewing the general procedures, we would like to remind everyone that when a change in a property's ownership or occupancy results in a loss of the exemption, the exemption is not removed until the following January 1. Section 39-3-203(2), C.R.S., is quoted as follows:

Property tax exemption – qualifications.

(2) Notwithstanding the provisions of paragraph (a) of subsection (1) of this section, if ownership of residential real property that qualified for an exemption as of the assessment date changes after the assessment date, an exemption shall be allowed only if an owner-occupier whose status as an owner-occupier qualified the property for the exemption has filed an exemption application by the deadline for filing exemption applications specified in section 39-3-205 (1).

§ 39-3-203(2), C.R.S.

During the first year of the program, some assessors questioned the need to wait until the following January 1 before removing an exemption. The Division obtained a verbal opinion from the Attorney General's Office, saying that it was permissible to refuse the granting of an exemption in the year of application if the property status changed after the application was filed. The refusal to grant the exemption could occur at any time prior to delivery of the tax warrant. The theory behind this opinion was that if the exemption was never placed on the tax warrant, the exemption never existed. The opinion only applies to the refusal of an exemption in the year of application. If the exemption was in place the prior year, statute says it cannot be removed upon a change in the property's status until January 1 of the following assessment year.



When revoking an exemption, we recommend that the following procedures be followed. The procedures were recently added to ARL Volume 2, pages 3.43 – 3.44.

REVOCATIONS

When the assessor determines that a property no longer qualifies for exemption, the exemption is revoked effective the following January 1, § 39-3-203(2), C.R.S. A revocation results from a change in ownership or occupancy or from the death of the applicant (or sometimes the applicant's spouse). The Division recommends that a revocation notice be sent to the owner of record soon after January 1.

When a change in status occurs, the exemption can sometimes be maintained if additional information is provided on a new application. For instance, upon the applicant's death, the spouse might qualify as either a surviving spouse or a qualifying senior. Or, if ownership transferred to the applicant's spouse, or to a company, corporation, or trust, the applicant or spouse might qualify if certain conditions are met. Or, if the applicant no longer occupies the property, the spouse might qualify, or the applicant might continue to qualify while living in a nursing home or assisted living facility. See **Chapter 12, Special Topics** for a more detailed discussion of qualifications.

Statute does not outline a procedure for appealing revocations. Therefore, the Division recommends that the revocation notice include the following items:

- A statement explaining why the exemption was revoked
- A long application form
- A statement explaining that a revoked exemption may qualify for reinstatement upon submission of a new application. The statement should refer the reader to the qualifications stated in the Long Form instructions.
- A statement explaining that in order to continue the exemption in the current year, or to appeal a revocation/denial, the new application must be received no later than July 15.

When appropriate, the applicant or trustee of a property for which an exemption is approved or is pending, must notify the assessor within 60 days of the occurrence of a change in ownership or occupancy that would result in the loss of exemption, § 39-3-205(3)(b), C.R.S.

The following is a summary of general procedures and deadlines found in ARL Volume 2, pages 3.42 – 3.43.

- Annual Notice Mailed - No later than May 1, the assessor sends a notification to all residential property owners explaining the existence of the exemption. The notice can be included with the treasurer's tax bill in January, with the assessor's Real Property Notice of Valuation, or it can be sent as a separate mailing, § 39-3-204, C.R.S. Language for the notice is discussed in ARL Volume 2, Pages 9.38-9.39.

- Application Deadline – Applications must be filed no later than July 15, but the assessor can accept late applications until September 15 if the applicant can show good cause for missing the July 15 deadline.
- Review Exemptions - The legal requirements for exemption approval are discussed in ARL Volume 2, pages 12.27-12.30. Example scenarios are provided in ARL Volume 2, pages 3.50-3.52.
- Issue Denials - No later than August 15, the assessor mails a letter explaining the reason(s) for denial to each applicant who does not qualify or who filed an incomplete application, § 39-3-206(1)(b), C.R.S. An example denial letter is attached to this memo.
- Notice of County Board Hearing - Prior to September 1, the clerk and recorder publishes the dates the county board of equalization will hear appeals of denied exemptions.
- Deadline for Appealing to CBOE – Filed no later than September 15.
- County Board Hears Appeals - From September 1 through October 1.
- Assessor's Report to Administrator – Submitted no later than October 10. The data format is found in ARL Volume 2, pages 3.45 – 3.47.
- Division Issues Denials - No later than November 1, the Administrator notifies applicants who claimed more than one exemption that they are entitled to no exemption for that year.
- Division Reviews Appeals - Taxpayers denied exemption can appeal to the Administrator no later than November 15.
- Division Notifies Assessors of Denials - No later than December 1, the Administrator sends written notice to each affected assessor of the properties denied by the Administrator. **The exemption must be removed from these properties** prior to delivering the tax warrant. Taxpayers can reapply on one of the properties the following year.
- Treasurer's Report to State Treasurer - No later than April 1 of the following year, the treasurer submits a report to the State Treasurer of the properties granted exemption and the amount of revenue lost as a result of exemption. The data format is found in ARL Volume 2, pages 3.45 – 3.47.
- State Treasurer Issues Warrant - No later than April 15, the State Treasurer issues a warrant to each county treasurer in an amount to fully reimburse local governments for lost revenue.
- Completed exemption applications shall be kept confidential, and lists of individuals who applied for the exemption shall not be provided to the public.

- Exemption applications shall be destroyed according to a policy established in conformance with § 6-1-713, C.R.S. Retention and destruction of senior exemption applications is discussed in ARL Volume 2, pages 1.7, 1.29-1.31, and 1.33.

Attached to this memo is an example denial letter that you can use when denying senior exemption applications. If you have any questions, please contact Greg Schroeder or Renee Bridges at 303-866-2371. They can also be reached by e-mail at Greg.Schroeder@state.co.us or Renee.Bridges@state.co.us.

SENIOR PROPERTY TAX HOMESTEAD EXEMPTION DENIAL

(insert county name) County Assessor
(insert mailing address)
(insert street address)
(insert city, state, zip code)

Office Hours:
Telephone Number:
FAX Number:

Owner's Name and Address:

Tax Year:
Parcel/Schedule Number:
Notice Date:
Property Address/Location:

Legal or Property Description:

Denial:

Your application for the property tax homestead exemption for qualifying senior citizens is denied. The reason(s) for denial are indicated by a check mark as follows:

- ___ **Age Requirement:** You were not at least 65 years old on January 1 of this year.
(If you are applying as the surviving spouse of a senior citizen who previously qualified, you must use the Long Form. See "Exceptions to Requirements.")
- ___ **Ownership Requirement:** You were not continuously the owner of record of the property from January 1, 1996 to present.
- ___ **Occupancy Requirement:** You did not continuously use the property as your primary residence from January 1, 1996 to present.
- ___ **Incomplete Application:** The questions highlighted on your enclosed application must be completed for the application to be processed. Please complete the missing items, and return the form to the Assessor no later than **July 15, 2006**. If the date has passed, follow the appeal instructions on the back of this form.
- ___ **Comment:** _____
-

Exceptions to Requirements:

Although your application is denied, you may still qualify for the exemption if you fall within certain exceptions to the age, ownership and occupancy requirements as specified in §§ 39-3-202 and 203, of the Colorado Revised Statutes. If you believe you qualify under these exceptions, you must submit a completed Long Form to the Assessor no later than **July 15, 2006**. If the date has passed, follow the appeal instructions on the back of this form.

YOU HAVE THE RIGHT TO APPEAL THE ASSESSOR'S DECISION
See Appeal Instructions on the back of this form

APPEAL INSTRUCTIONS

How to Appeal the Assessor's Decision:

The County Board of Equalization will meet to hear appeals of denied applications from September 1 through October 1. If you choose to appeal the Assessor's decision, complete the lower portion of this form, and return it to the County Board of Equalization at the address shown below. The County Board of Equalization must receive your appeal no later than September 15, 2006. You will be notified of the time and place set for your hearing.

(insert county name) County Board of Equalization
(insert mailing address)
(insert street address)
(insert city, state, zip code)

If Your Application is Incomplete or a Long Form is Required:

Applications resubmitted after July 15, 2006, must be sent to the County Board of Equalization. Submit both the completed application and this completed appeal form to the County Board of Equalization as instructed above.

WE RECOMMEND YOU ATTEND THE APPEAL HEARING BECAUSE
DECISIONS OF THE COUNTY BOARD OF EQUALIZATION ARE NOT SUBJECT
TO ADMINISTRATIVE APPEAL.

Reason For Requesting Review (You may attach additional documents if necessary):

I declare, under penalty of perjury in the second degree (§ 18-8-503, C.R.S.), that the information I provided on this form and on any attachments is correct.

Signature: _____ **Date:** _____

You must sign and date your appeal.

Signer is: ☐ Applicant ☐ Spouse ☐ Guardian ☐ Conservator ☐ Attorney-in-fact

If signer is a guardian, conservator or attorney-in-fact, you must provide authorization in the form of a court order or power of attorney.

Other Contact: _____ Telephone Number: _____
(if necessary)